

5 October 1953

OGC Has Reviewed

MEMORANDUM FOR THE RECORD

25X1

25X1 SUBJECT: [] Claim of []

25X1

1. I was requested by [] (FE Division) to discuss the subject claim arising out of expenses and obligations incurred by [] in apparent reliance upon oral promises made by a former chief of FE Division. A formal written contract with [] was prepared for signature, but was never executed by an authorized Agency representative.

2. [] stated that even though he agreed no legal basis could be postulated upon any written agreement to authorize a settlement payment to [] he did feel that a serious moral obligation existed. He has been asked by [] to recommend minimum and maximum limitations within which the Senior [] may negotiate with [] to resolve alleged claims against the Agency. I indicated to [] that despite the absence of a formal written contract, there was a conceivable legal ground for determining that [] action in reliance upon oral commitments by responsible Agency officials would constitute an informal agreement when such reliance upon verbal assurances could be said to be reasonable and when [] had incurred expenses or losses of a determinable nature thereby. This would be particularly true if the Agency has derived actual or potential benefits from such reliance, even though operational circumstances had dictated a subsequent change in Agency plans.

25X1

[]
Office of General Counsel

OGC/GHK:cst

Distribution:

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1 - GHK
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